

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2003-640

September 16, 2003

CARIBOU UTILITIES DISTRICT
Application for Approval of
Issues of Securities (§ 902)
(\$25,642, \$29,757, and \$18,278)

ORDER APPROVING
ISSUES OF SECURITIES

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

On August 29, 2003, Caribou Utilities District (the District) filed with the Commission its application for approval of three loans in sums not to exceed \$60,000, \$73,000 and \$21,400, respectively through First Citizens Bank, at an annual rate not to exceed 2.85% entered into during the period July 2000 through April 2003. The remaining principal balances are \$25,342, \$29,757 and \$18,277, respectively. Each of the loans had a term of 5 years when originally issued. In this Order, we retroactively approve the District's application.

The District required these funds for the purpose of replacing vehicles and construction equipment consisting of a dump truck, backhoe, car and two pick-ups. The District stated that the vehicles were all purchased based on competitive bids or proposals. The District also stated that it was unaware of the Commission's requirement to approve borrowings of this nature and therefore, did not ask for approval. The District made this filing after determining approval was necessary.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the note are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902 (4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

It appears that the District's failure to receive Commission approval of the borrowings prior to entering the agreements was not an attempt to deceive the Commission or evade compliance with Maine law, but rather was due to the District's ignorance or misunderstanding of the law. It also appears that no harm has come to ratepayers from the District's failure to obtain prior approval. Therefore, we will approve the loans retroactively, but we remind the District of its responsibility to know and adhere to all aspects of Maine utility laws and regulations.

Accordingly, we

O R D E R

1. That the Caribou Utilities District is hereby authorized after the fact to enter into the three borrowings described in this Order at a rate not to exceed 2.85 percent per year through the First Citizens Bank for a term not to exceed 5 years from the date of their original issue;
2. That the District institute procedures to ensure that it seeks Commission authorization prior to entering into any loan or issuing securities with a term greater than twelve months in accordance with 35-A M.R.S.A. § 901; and
3. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine, this 16th of September, 2003.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR:

Welch
Diamond
Reishus

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.